No. 02-848

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In The

Supreme Court of the United States

SOUTHERN CLAY PRODUCTS, INC.,

Petitioner,

v.

UNITED CATALYSTS, INC.,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY TO BRIEF IN OPPOSITION

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PETITIONER'S REPLY BRIEF

United's Opposition to Southern Clay's certiorari petition ("Petition") mischaracterizes the proceedings below to avoid precisely the issues presented in this case.

> To avoid an arbitrary discretion in the courts, it is indispensable that they should be bound down by strict rules and precedents which serve to define and point out their duty in every particular case that comes before them.

Alexander Hamilton, The Federalist No. 78.[1]

A common law court without precedent has no controls. A court without oversight is tyranny. If its actions are to be accounted for in a democracy, the court cannot be allowed to bury constitutional violations, arbitrariness, poor scholarship, error, ineptness, illogical reasoning, lack of preparation or understanding, or other shortcomings in a black hole called "not citable as precedent," particularly where further review is severely hampered thereby. The red-hot heat of follow-up critiques is designed to serve as a stimulus to excellence.

United's opposition raises new points that attempt to sidestep the fundamental constitutional issues at hand. In that regard:

(1) Contrary to United's argument that the Federal Circuit's unanimous vote to designate the Panel Majority's opinion as "non-precedential" meant that this

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[1] As stated by Justice Marshall in *Marbury v. Madison*, 5 U.S. 137, 1 Cranch 137, 176-77 (1803), "[t]he distinction, between a government with limited and unlimited powers, is abolished, if those limits do not confine the persons on whom they are imposed, and if acts prohibited and acts allowed, are of equal obligation."

case did not merit a rehearing *en banc*, the only logical reason for Chief Judge Mayer to vote to designate the opinion as "non-precedential" -- in view of his vigorous dissent pointing out that the Panel Majority's opinion "did not follow the letter of" the patent law, failed to accord Southern Clay its right to trial by jury, and would have "far reaching ramifications" that would place "an undue burden on examiners and the PTO" -- was because he felt the entire legal and patent administrative systems would suffer if the case were ever available for citation by anyone. This demonstrates that the Federal Circuit panel arbitrarily so designated the opinion to eliminate any hope for rehearing *en banc*, thereby improperly burdening, and effectively foreclosing, further review, in violation of the Fifth Amendment.

(2) United misdirects the Court's attention on the Fifth Amendment equal protection issue by focusing on the general criteria for granting rehearing *en banc* under Fed. R. App. P. 35(a), instead of on the Federal Circuit's express, written policy that opinions designated (even arbitrarily) as "non-precedential" will rarely meet those criteria, and that a "precedential" opinion is a "usual prerequisite" for meeting those criteria. Contrary to United's assertion (Op. at 17), nowhere does the Federal Circuit state that this merely "reflect[s] a correlation between the criteria for determining whether an opinion should be designated precedential and the criteria for whether *en banc* review should be granted."

(3) Southern Clay's Petition does not attempt to expand the First Amendment right of access to the courts because that right logically includes the right to petition the appellate courts where available and is not limited only to the right to file suit.

(4) Also contrary to United's assertions, Chief Judge Mayer was well aware of the need for a jury trial on the issue of anticipation. Southern Clay's appellate brief set forth the record evidence showing that there were numerous genuine issues of material fact concerning

whether each and every limitation of the '842 patent claims was present in the Clocker patent, even if incorporated with the alleged material in the Cohn patent, and whether the Clocker/Cohn combination failed to disclose an enabled, operable process.

I. ALTHOUGH NOT NECESSARY TO CLEARLY SHOW THE CONSTITUTIONAL VIOLATIONS, REHEARING *EN BANC* WOULD HAVE BEEN MORE THAN APPROPRIATE HERE TO ALLOW THE ENTIRE APPEALS COURT TO REVIEW THE CLEAR ERRORS

United's attempts to characterize Chief Judge Mayer's dissent as a mere "disagreement over the application of well-settled law to the facts of this case" (Op. at 14) are unsupported. Chief Judge Mayer emphatically and specifically recognized that the Panel Majority was denying Southern Clay its right to a jury trial and that, on another major issue, it recited the law correctly but was, in fact, changing that law by erroneously interpreting it and therefore "failing to follow the letter of the law." *See* Pet. App. at 16-17 and Petition at 7 n. 1, 12, and 17.

Focusing only on the general criteria of Fed. R. App. P. 35(a), United ignores the Federal Circuit's own, further-defined criteria for rehearing *en banc* – which expressly recognize that a major reason for granting a rehearing *en banc* is to review a decision that is "contrary to ... decision(s) of the Supreme Court of the United States or the precedent(s) of [the Federal Circuit]." Fed. Cir. Rule 35(b). As evidenced by Chief Judge Mayer's dissent, the Panel Majority's decision was "contrary to decisions" of both this Court and the Federal Circuit. The Panel Majority "failed to follow" precedent when it (1) held that Clocker incorporated

certain material from Cohn[2] (notwithstanding that Clocker was silent as to where the alleged incorporated material could be found), and (2) resolved disputed questions of material fact on the issue of anticipation. *See* Pet. at 16-17. Thus, this case screamed out for a rehearing *en banc* -- or at least a fair, unburdened opportunity for rehearing *en banc* -- to correct what Judge Mayer expressly recognized was a "failure to follow" the law.

II. CHIEF JUDGE MAYER'S VOTE TO DESIGNATE THE OPINION AS "NONPRECEDENTIAL" ESTABLISHES THAT THE OPINION WAS ARBITRARILY SO DESIGNATED

Federal Circuit Rule 47.6(b) states that "[a]n opinion or order which is designated as not to be cited as precedent is one unanimously determined by the panel issuing it as

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[2] United's argument that the decision in *In re Voss*, 557 F.2d 812 (CCPA 1977), was properly applied by the Federal Circuit is incorrect. In *Voss*, the patent applicant "directed the person of ordinary skill in the art to [another patent] for a description of glass-ceramic articles which [the patent applicant] deemed operable in his invention." *Voss*, 557 F.2d at 815 (emphasis added). The *Voss* court therefore found that the applicant's incorporation was intended to support, and be operable with, the claimed invention and thus become part of the application. *Id.* Unlike the host patent in *Voss*, Clocker plainly did not intend to incorporate material from the Cohn patent into its specification -- and Cohn has no bearing on Clocker's claimed invention. First, the Cohn patent does not relate to an organoclay process (as does Clocker) and does not in any way support the steaming invention claimed in Clocker. There was therefore no reason for Clocker even to attempt to incorporate Cohn. Perhaps more telling, however, Clocker teaches away from Cohn and specifically instructs people not to look at Cohn. *See* Pet. at 10-11.

In addition, because nowhere does the Clocker reference identify where the material to be incorporated can be found in the Cohn reference, United argues that the allegedly incorporated material from Cohn regarding bond-breaking techniques is prominently featured in Cohn. That is not the case, however. One would have to read the cited Cohn '778 patent, line-by-line, through to columns 5 and 6 to find the first hint of the subject equipment.

not adding significantly to the body of the law." (emphasis added). Chief Judge Mayer, however, certainly recognized that the Panel Majority's opinion -- which "failed to follow" the law -- would add significantly and damningly to the body of law by causing "far reaching ramifications" that would impose an "undue burden" on patent examiners, the PTO, and those skilled in the art (i.e., impossible reading requirements[3]). Pet. App. at 16.

Accordingly, his vote to make the Federal Circuit opinion "nonprecedential" under the above-quoted Rule 47.6(b) standard was completely contradictory to that standard, which conclusively demonstrates that (1) the Federal Circuit's standard for classification of opinions as "precedential" or "nonprecedential" is arbitrary, and (2) that standard is arbitrarily applied. *See Yick Wo v. Hopkins*, 118 U.S. 356, 374 (1886) ("Though the law itself be fair on its face, and impartial in appearance, yet, if it is applied and administered by public authority with an evil eye and an unequal hand, so as practically to make unjust and illegal discriminations between persons in similar circumstances, material to their rights, the denial of equal justice is still within the prohibition of the constitution.").

III. THE FEDERAL CIRCUIT'S ARBITRARY DESIGNATION VIOLATED SOUTHERN CLAY'S RIGHT TO EQUAL PROTECTION

United misdirects the Court's attention to the general criteria in Fed. R. App. P. 35(a) for granting a rehearing *en banc* in an effort to imply that only those criteria are somehow at issue when the Federal Circuit decides whether to rehear a case *en banc*. As set forth in the Petition at 8, however, the Federal Circuit expressly notifies litigants of its

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[3] Indeed, the Panel Majority's decision would require one to read every word of every patent referred to, line-by-line, in order even to attempt to determine the scope of any allegedly incorporated material.

policy -- that rehearing *en banc* is "rarely appropriate" if the opinion was "nonprecedential" and that a precedential opinion is a "usual prerequisite" for rehearing *en banc* -- demonstrating an institutional predisposition that virtually guaranteed the denial of review *en banc* in this case.[4]

While United repeatedly argues that rehearing *en banc* was still "available" to Southern Clay because a precedential opinion is only a "usual prerequisite," United's view of this Federal Circuit policy -- especially as it was arbitrarily applied here -- is myopic at best. In any event, "availability" of a burdened, weakened, and diminished opportunity for rehearing still is itself a violation of the right to equal protection.

United's argument that the Federal Circuit's application of Fed. R. App. P. 35(a) results in a rationally based classification, which cannot therefore violate the right of equal protection, again misses the point. In that regard, *Pers. Adm'r of Massachusetts v. Feeney*, 442 U.S. 256, 272 (1979), cited by United (Op. at 20) for the proposition that, "[w]hen the basic classification is rationally based, uneven effects upon particular groups within a class are ordinarily of no concern," is inapposite. United concludes that no equal protection violation could therefore have occurred "even if, as a result of applying the Fed. R. App. P. 35(a) criteria, litigants receiving nonprecedential opinions are disproportionately denied rehearing *en banc*." *Id.*

United's argument is without merit because, as discussed above and in the Petition at 8-9, the basic classification here -- of opinions as either precedential or nonprecedential -- is not rationally based and is certainly

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[4] Contrary to UCI's suggestions, nowhere does the Federal Circuit state that these statements simply reflect a historical correlation between the criteria for determining whether an opinion should be designated precedential and the criteria for whether an *en banc* review should be granted. Further, the mere presence of the Federal Circuit's policy statements necessarily has a chilling effect on the decision to petition for rehearing of a "nonprecedential" opinion.

not rationally applied. That this is so is plainly demonstrated by Chief Judge Mayer's vote to designate the Panel Majority opinion as "nonprecedential" which he necessarily recognized "failed to follow" fundamental law. This case therefore involves "misapplication" to the point of evisceration of the express requirements of established legal precedent.

IV. SOUTHERN CLAY'S FIRST AMENDMENT RIGHT TO ACCESS TO THE COURTS INCLUDES AN UNBURDENED OPPORTUNITY FOR *EN BANC* REVIEW

United argues that the First Amendment right to petition courts should be limited to the right to file suit. United cites *California Motor Transp. Co. v. Trucking Unlimited*, 404 U.S. 508, 515 (1972), and *Bill Johnson's Rests. Inc. v. National Labor Relations Bd.*, 461 U.S. 731, 741-43 (1983), for this proposition, but neither of these cases stated, held, or even implied that the First Amendment right should be so limited. If anything, *California Motor Transp.* implies that all of a court's procedures (plural), including its appellate procedures, should be included within the First Amendment right to petition the courts:

> We conclude that it would be destructive of rights of association and of petition to hold that groups with common interests may not, without violating the antitrust laws, use the channels and procedures of state and federal agencies and courts to advocate their causes and points of view respecting resolution of their business and economic interests vis-à-vis their competitors.

Id. at 511 (emphasis added).

It is only logical that this First Amendment right would extend to a court's appellate procedures where

available, since courts with appellate procedures necessarily contemplate the redress of grievances through the entire court system. Indeed, as recognized by the author of *A Right of Access to Court Under the Petition Clause of the First Amendment: Defining the Right*, 60 Ohio St. L.J. 557 (1999), cited by United, the First Amendment may also be interpreted to include an appeal as its own, new petition for the redress of a grievance. *Id.* at 647 ("The Petition Clause could fill the void left by the due process cases if an appeal is considered a new petition or a new grievance to a new court").

V. CHIEF JUDGE MAYER WAS WELL AWARE OF THE GENUINE ISSUES OF MATERIAL FACT ON THE ISSUE OF ANTICIPATION

Contrary to United's assertion (Op. at 22), there were clearly disputed issues of material fact present concerning the factual issue of anticipation -- that is, whether each and every limitation of the '842 patent claims was found in the Clocker patent (with the allegedly incorporated material from the Cohn patent) as arranged in the claims. Southern Clay's expert, a prominent expert in the field, testified that the asserted Clocker/Cohn combination does not even disclose an enabled, operable process:[5]

> Clocker and Cohn cannot be combined because different clay types, different particles sizes, incompatible solid slurries, which are things we mentioned before. But these are all elements that

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[5] *See Beckman Instruments, Inc. v. LKB Produkter AB*, 892 F.2d 1547, 1551 (Fed. Cir. 1989) (In order to render a claimed apparatus or method obvious, the prior art must enable one skilled in the art to make and use the apparatus or method).

would make it impossible to combine the two to get the 842 or 501.

Pet. App. at 60.

United incorrectly implies that Chief Judge Mayer did not discern "a single genuine issue of material fact in dispute," and that he therefore suggested a useless remand for a jury trial. (Op. at 24). Chief Judge Mayer was aware of genuine issues of material fact in the record when he stated that the Federal Circuit "oversteps its bounds by rendering the '842 patent invalid for anticipation on appeal.... the jury never considered the issue... Holding that Clocker incorporates Cohn by reference requires remand to the district court for an anticipation determination by the factfinder." Pet. App. at 16-17.

In that regard, Southern Clay presented substantial evidence at trial that at least three limitations of the claims of the '842 patent were missing in the prior art Clocker-Cohn patents:

(1) "the improvement enabling enhancement of the gelling properties of said clay,"
(2) "substantial average particle size reduction," and
(3) "shearing the clay slurry prior to reaction with a [quat]."

See Pet. App. at 57-60 and 105. As will be seen from a review of the referenced testimony, Southern Clay's expert prepared and used a demonstrative exhibit with this testimony, which shows the missing elements as the common empty boxes under the "Clocker" and "Cohn" columns. The pertinent portion of the expert's exhibit is what is reproduced in Pet. App. at 105.

VI. CONCLUSION

Magna Carta

> [H]ere is a law which is above the King and which even he must not break. This reaffirmation of a supreme law and its expression in a general charter is the great work of Magna Carta; and this alone justifies the respect in which men have held it.

Winston Churchill, 1956

Simply stated: Our democracy is lost if the courts feel they are above or outside the Rule of Law. The courts have no right to convert our common law into a civil law system.

For each of the reasons set forth in this reply and in the petition for writ of certiorari, Southern Clay respectfully requests this Court to grant the petition or summarily reverse the judgment below.

Respectfully submitted,

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